

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

The Honorable Shara L. Aranoff
Chairman
U.S. International Trade Commission
500 E St., SW
Washington, DC 20436

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OF THE U.S. TRADE REPRESENTATIVE

Dear Chairman Aranoff:

Chapter Four and Annex 4-A of the U.S. – Australia Trade Agreement (USAFTA) set out rules of origin for textiles and apparel for applying the tariff provisions of the USAFTA. These rules are reflected in General Note 28 of the Harmonized Tariff Schedule of the United States (HTS).

Section 203(o) of the United States – Australia Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement with Australia pursuant to Article 4.2.5 of the Agreement. One of the requirements set out in section 104 is that the President obtain advice regarding the proposed action from the U.S. International Trade Commission.

Our negotiators have recently reached agreement in principle with representatives of the government of Australia on modifications to the USAFTA rules of origin. These modifications are reflected in the attached document. They are the result of determinations that U.S. and Australian producers are not able to produce viscose rayon staple fiber in commercial quantities in a timely manner.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable effect of the modifications reflected in the enclosed proposals on U.S. trade under the USAFTA, total U.S. trade, and on domestic producers of the affected articles. I request that the Commission provide this advice at the earliest possible date, but not later than ten weeks of receipt of this request. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,



Susan C. Schwab

Enclosure

UNITED STATES – AUSTRALIA FREE TRADE AGREEMENT
Textiles and Apparel Goods - Availability of Supply
Proposed Amendments to Annex 4-A

Certain Yarns

Delete the current rule of origin for headings 5501 through 5511 and replace with the following:

5501.00 – 5510.30 A change to subheading 5501.00 through 5510.30 from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.

5510.90 A change to subheading 5510.90 from subheading 5504.10, or from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.

5511 A change to heading 5511 from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.